

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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THE CITY OF EDINBURGH COUNCIL ON :
BEHALF OF THE LOTHIAN PENSION :
FUND, On Behalf of Itself and All Others :
Similarly Situated, :

Plaintiff, : Civil Action No. 07 Civ. 9921 (PKC)

v. :

VODAFONE GROUP PUBLIC LIMTED :
COMPANY, et al., :
Defendants.
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EXHIBIT A TO THE DECLARATION OF JORDAN T. RAZZA

City of Edinburgh Council v. Vodafone Group Plc, et al.**Analysis of Certain Public Statements (or Portions Thereof) Alleged In Amended Complaint**

¶	Source	Statement	Analysis
¶ 51 – 54	2004 Annual Report 06/10/04	<p>Letter from MacLaurin: “It is my privilege to report, once again, another highly successful year for your company, with an excellent overall operating performance generating further substantial growth in profits... ¶ 51</p> <p>...[I]n February, we launched the Vodafone Mobile Connect 3G/GPRS datacard, which provides fast, secure access to corporate networks from lap top computers.... I believe that this technological evolution offers us significant growth opportunities and Vodafone is very well positioned to take advantage of these opportunities due to its global footprint and its continued strong performance.” ¶ 51</p> <p>Vodafone is a vibrant company, dedicated to the creation of shareholder value. This value is achieved through . . . the advance in technology – 3G – and the investment in assets where positive returns may be clearly identified. ¶ 51</p> <p>Letter from Sarin: “This past year, Vodafone has delivered another set of solid financial results. We have had... continued margin improvement.... Another significant force impacting our business is competition. We face different competitors across our markets, but we have a tremendous advantage. Vodafone can draw from resources across all our markets and respond competitively in a way that does not impact the performance of the organization as a whole.” ¶ 52</p> <p>By delivering on our goals and conducting rigorous economic and financial analyses before we make pricing, acquisition and scale decisions, we demonstrate the discipline to always act in the best interests of our shareholders. ¶ 52</p> <p>We have just reinforced our long term commitment to Japan by making a further</p>	Puffery Puffery/forward looking (cautionary language, p. 20) Puffery Puffery Puffery Facts without contradictory

¶	Source	Statement	Analysis
		<p>investment of up to £2.6 billion. ¶ 52</p> <p>Vodafone Germany performed well in the year, further improving its operational performance. ¶ 54</p> <p>Operating profit before goodwill amortisation and exceptional items improved by £306 million to £1,741 million, principally driven by cost efficiencies in the second half of the year, particularly in network and IT costs. ¶ 54</p> <p>Vodafone Italy produced another strong set of results, in spite of the increasingly competitive and highly penetrated market. Operating profit before goodwill amortisation and exceptional items grew significantly. . . . ¶ 54</p> <p>Another unique advantage for Vodafone is our expansive global footprint. Operating in 26 markets puts us in an enviable position to leverage our global scale and scope. We are using this advantage to deliver exceptional 3G-based services. When we introduce 3G handsets in large volumes later this year we will be well equipped to drive demand and attract even higher market share in the 3G world. ¶ 52</p> <p>Another competitive advantage is our leadership position on cost and time to market. From network services to sales, and marketing to customer care and billing, we have many varied systems in use across the business. With strong cooperation between our various operating companies we can achieve further savings. ¶ 52</p> <p>Our transactions in Japan will simplify the structure, confirm our commitment to the Japanese marketplace and enable us to deliver on the changes needed to improve our position. ¶ 52</p>	<p>allegations</p> <p>Puffery</p> <p>Facts without contradictory allegations</p> <p>Puffery</p> <p>Puffery/forward looking (cautionary language p. 20)</p> <p>Puffery/forward looking (cautionary language p. 20)</p> <p>Forward looking (cautionary language p. 20)</p>

¶	Source	Statement	Analysis
		The Group is developing a full range of 3G handsets which are expected to be available in the quarter leading up to Christmas 2004 and are expected to put Vodafone Japan in a better competitive position.... A plan is in place to improve Vodafone Japan's performance and competitive position, focusing on cost reductions through leveraging the Group's global scale and scope...¶ 54	Forward looking (cautionary language p. 20)
¶ 58	Vodafone quarterly report press release 7/26/04	<p>Vodafone Continues Strong Performance in Customer and Revenue Growth</p> <p>Vodafone Group Plc ("Vodafone") announces today key performance indicators for the quarter ended 30 June 2004. . . .</p> <p>Arun Sarin, Chief Executive of Vodafone, commented "...We have recorded good performances...[O]ur business is progressing well, despite a tougher competitive environment..."</p> <p>Net customer additions of 462,000 demonstrate continued strong growth in Germany. . . . Strong customer growth was the primary driver behind a 7% increase in service revenue for the quarter compared to the same quarter last year.</p> <p>...</p> <p>Proportionate net customer additions were 205,000 in the quarter. . . . Churn remained broadly stable. Service revenue for the quarter increased 10% on the same quarter last year. . . . Net acquisitions and retention costs as a percentage of service revenues in the quarter slightly increased on the same period last year, reflecting the increase in competitive activity in the Italian market. However, these costs remain at very low levels when compared to the rest of the Group.</p>	<p>Puffery</p> <p>Facts without contradictory allegations</p> <p>Puffery</p> <p>Facts without contradictory allegations/puffery</p> <p>Facts without contradictory allegations</p>
¶ 59	Bear Sterns Report 8/13/04	One on One meeting with Arun Sarin was comforting with respect to . . . operational progress in Europe. . . . Operations appear robust in Europe. . . . Comfortable with operations across Europe. Management remain comfortable with operational progress to date in Europe. . . .	<p>Third party statement</p> <p>Puffery</p>

¶	Source	Statement	Analysis
¶ 59	Deutsche Bank Report 8/16/04	<p>We had a one-one meeting with Vodafone's CEO, Arun Sarin.</p> <p>Revenue growth/margins. Vodafone believes consensus for the next few years (post 04/05) is low and revenue growth above this will be driven by subscriber growth, as well as voice and data usage. Vodafone's MI systems enable Mr. Sarin to review subscriber metrics weekly, operational data monthly and the company operates a 3mth forecasting process. He remains confident regarding the margin uplift potential in Europe.</p> <ul style="list-style-type: none"> – Capex. . . . Mr. Sarin expects capex to have reached its peak at c.GBP5bn. . . . He reiterated the company's 10 pc capex/sales guidance for 07/08. – Margins. . . . He remains confident regarding the margin uplift potential in Europe and cited that it would be achieved in different ways. . . . – Revenue growth. The company believes consensus for the next few years (post 04/05) is low 	<p>Third party statement</p> <p>Forward looking</p> <p>Forward looking</p> <p>Forward looking</p>
¶ 59	Investec Report 8/18/04	<p>Positive Meeting with Arun Sarin</p> <p>. . . Earlier this week, we had a positive meeting with Vodafone CEO, Arun Sarin.</p> <p>. . . Vodafone shares have rallied somewhat in the last week, aided by analyst meetings</p>	<p>Third party statement – analyst characterization</p>
¶ 59	Citigroup Report 9/8/04	<p>We were very pleased to meet with Arun Sarin, CEO Vodafone, now in his second year in the hot seat. The colour of the meeting was upbeat. . . .</p>	<p>Third party statement – analyst characterization</p>
¶ 59	JP Morgan Report 9/8/04	<p>We met with Vodafone CEO, Arun Sarin yesterday afternoon. Here we focus on the points he made incremental to the already widely-communicated statements from the post-KPI analyst meetings held last month.</p> <p>... * We viewed the overall message as positive and capable of</p>	<p>Third party statement – analyst characterization</p>

¶	Source	Statement	Analysis
		sustaining share price recovery.	
¶ 60 - 62	Vodafone press release: Vodafone Analyst and Investor Day 9/27/04	<p>In addition, Vodafone will confirm that it expects to reduce mobile capital expenditure to less than 10% of mobile revenue in the year to 31 March 2008. . . . The One Vodafone initiatives are expected to achieve £2.5 billion of annual pre-tax operating free cash flow improvements by the year ending 31 March 2008. Cost initiatives are anticipated to generate improvements of £1.4 billion, with a further £1.1 billion from revenue initiatives. ¶ 60</p> <p>Vodafone will also disclose its expectations of the financial benefits of its One Vodafone programme to deliver the benefits of scale and scope. The One Vodafone initiatives are expected to achieve £2.5 billion of annual pre-tax operating free cash flow improvements by the year ending 31 March 2008. Cost initiatives are anticipated to generate improvements of £1.4 billion, with a further £1.1 billion from revenue initiatives. ¶ 60</p>	Forward looking (cautionary language p. 2)
¶ 62	9/27/05 Investor Day Transcript	[Sarin]: ...And most importantly, we have quantified One Vodafone. We've announced today that by the year 2007, 2008, we expect to achieve One Vodafone benefits to the tune of 2.5 billion pounds annually on a going forward basis, on a pre-tax basis on a cash flow basis. . . . Our margins in Germany will be up. There is more competition in Italy, these days. We think our margins in Italy are likely to be flattish, on very high margins, you will recall. . . . [W]e believe that our mobile cap-ex-to-sales ratio will be below 10% by the year 2007, 2008. So, I'm simply reiterating guidance on the back of excellent performance on part of our operating companies The bottom line though is that our belief is that because we are one company that we think we will have an advantage to the tune of 2.5 billion pounds annually, starting 2007, 2008. . . . It is a cash number and it is a significant number.	Puffery/Forward looking
¶ 63	Times (London) 9/28/04	<p>The one-day conference was aimed at part in silencing critics who accused the group of a lack of visibility.</p> <p>Since the company's abortive attempt to buy AT&T Wireless, the third largest mobile phone business in the US, Mr. Sarin has been on a City charm offensive,</p>	Third party statement

¶	Source	Statement	Analysis
		seeking to regain investor confidence in both him and the company. During the summer he staged a series of one-to-one meetings with analysts and investors.	
¶ 64	Deutsche Bank Report 9/28/04	INVESTOR DAY – MANAGEMENT OPTIMISM ... German management made an upbeat presentation. . . .	Third party statement -- no attribution
¶ 65	Investec Report 9/29/04	This creates positive margin sentiment and much wanted detail on the potential for Vodafone to exploit its scale advantage. . . . [T]he fact is that CEO Sarin – together with the majority of its country presentations during the day – was talking a positive tone on margins.	Third party statement -- analyst characterization
¶ 66	Sarin's presentation at Sanford C. Bernstein & Co 1 st Annual Pan European Strategic Decisions Conference 2004 9/29/04	<p>Sarin stated: One, our business is performing well... The guidance remains very strong. The reason to highlight that is as this year has come along many of our competitors aren't reporting results that are as robust as our results here.</p> <p>I want to reiterate the fact that we're very excited.</p> <p>. . . One Vodafone is basically the scale and scope benefits of our Company. As you know, we've acquired a number of companies over the last years. The question is – what is the payback? What difference does it really make to be as large and as global as we are? And we've quantified it for you. £2.5b by the year 2007/2008 on an ongoing basis, annual on a cash flow basis.</p> <p>Margins in Germany are going to be up. We're feeling more competition in Italy and I think we'll end up with flattish margins in Italy. May I just remind you that the margins in Italy are in the low 50s, so we are quite high to begin with.</p> <p>We have previously stated that our CapEx to sales ratio by the year 2007/2008</p>	<p>Puffery</p> <p>Puffery</p> <p>Forward looking (cautionary language, p. 10)</p> <p>Puffery, forward looking (cautionary language, p. 10)</p> <p>Forward looking</p>

¶	Source	Statement	Analysis
		<p>will be less than 10%. We're reiterating that guidance at this time.</p> <p>I'd just like to reiterate and say business is going well. . . .</p> <p>We are highly confident about the fact that we feel that these are very, very good value for us to buy back our shares and hence we are buying back our shares.</p> <p>Yes, we are buying back some shares these days. We are highly confident about the fact that we feel that these are very, very good value for us to buy back our shares and hence we are buying back our shares.</p>	<p>(cautionary language, p. 10)</p> <p>Puffery</p> <p>Puffery</p> <p>Puffery</p>
¶ 67	Sanford Bernstein Report 9/30/04	<p>VOD: Insights from CEO presentation at Bernstein Conference.</p> <p>Mr. Sarin reiterated his confidence in Vodafone reducing capex-to-sales below 10% by March '08 (a controversial target).</p>	Third party statement
¶ 70	Vodafone Press Release 10/13/04	<p>Vodafone will simplify its existing regional structure with major countries and business areas reporting into the Chief Executive. All first line management functions in the Operating Companies will have a dual reporting line to the respective functions at Group level.</p> <p>Arun Sarin, Chief Executive said: "We are creating an organization that is better positioned to respond to the high expectations of our customers. Faster execution will enable us to extend our lead within the mobile industry and deliver the benefits to customers, our employees and our shareholders."</p> <p>Vodafone's operating company structure will be streamlined to ensure effective and fast decision-making, enabling improved time to market across a number of business initiatives. Consequently, the following operating companies and business areas will report directly into the Chief Executive: Germany Italy Japan</p>	<p>Facts without contradictory allegations</p> <p>Puffery/forward looking</p> <p>Forward looking</p>

¶	Source	Statement	Analysis
¶ 71	Vodafone Press Release 11/10/04	<p>Global launch of Vodafone live! with 3G</p> <p>Vodafone today announces the global launch of Vodafone live! with 3G across an unrivalled 13 countries. Vodafone live! with 3G will be available in Austria, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Portugal, Spain, Switzerland and the UK. . . . Extensive range of 10 new 3G handsets offering a wide choice for customers</p> <p>Arun Sarin, Chief Executive, Vodafone said:</p> <p>“Today is an important day for Vodafone and the start of a new era in mobile communications. Vodafone live! with 3G will dramatically change the way our customers experience their Vodafone services and we are confident that Vodafone live! with 3G will be a success. . . . Vodafone live! with 3G provides Vodafone with a new platform for profitable growth.”</p> <p>Vodafone will offer an initial, extensive range of 10 new 3G handsets for the Christmas period from Sharp, Motorola, Sony Ericsson, NEC, Nokia and Samsung. Seven of the handsets are exclusive to Vodafone and the range has been designed to offer a wide customer choice of high, mid and low tier priced 3G devices. Seven handsets from this range will be available in Japan, with nine available in Europe.</p> <p>Vodafone has invested significantly to ensure its customers have 3G services of the highest quality. Vodafone customers have seamless handover of voice and data services from 3G to 2G, ensuring high quality service delivery of Vodafone live! with 3G.</p> <p>Vodafone’s strategy is to deploy 3G network coverage which delivers a high quality service. . . .</p>	<p>Facts without contradictory allegations</p> <p>Puffery/forward looking (cautionary language p. 6)</p> <p>Facts without contradictory allegations; forward looking (cautionary language p. 6)</p> <p>Puffery/forward looking (cautionary language p. 6)</p> <p>Puffery</p>
¶ 72	Vodafone	Arun Sarin, Chief Executive, commented:	Puffery

¶	Source	Statement	Analysis
	SEC Form 6-K 11/17/04 (complaint says 11/16/04)	<p>I am very pleased to present a robust set of half year results demonstrating a strong overall operational performance...[W]e are excited about our growth opportunities and ability to leverage global scale and scope advantages.</p> <p>Our first half results demonstrate a robust operational performance, which reflects Vodafone's industry leading position and a global footprint.</p> <p>We continue to be excited about the future growth opportunities for our businesses. . . . Our 3G launch . . . significantly improves our competitive position in Japan.</p> <p>Overall the business is performing well and on track with our expectations at the beginning of the year. For the full year, we expect . . . free cash flow of around £7 billion.</p> <p>Germany : Vodafone is well positioned in the German mobile market . . . [and] is significantly ahead of the other two operators. Profitability . . . has improved and Vodafone Germany's EBITDA margin represents the highest in the market.</p> <p>Italy: The increasing customer base continued to be the main driver of service revenue growth, with average customers for the period 9% higher than the comparative period.</p> <p>Japan: An ongoing transformation plan is expected to improve Vodafone Japan's performance and competitive position in the market. This is focusing on cost reductions through leveraging the Group's global scale and scope. . . . In most areas of the plan, positive results are expected in the next financial year, though good progress has been achieved in the consolidation of the regional structure and cost reductions.</p> <p>One Vodafone: The One Vodafone programme continues to make strong progress. . . .</p>	Puffery Puffery/forward looking (cautionary language p. 34) Puffery/forward looking (cautionary language p. 34) Puffery Facts without contradictory allegations Forward-looking/Puffery Puffery
¶ 73	Vodafone	[SARIN:] . . . [O]ur businesses are performing well. . . . [I]n Japan or in Germany	Puffery

¶	Source	Statement	Analysis
	Conference Call 11/16/04	<p>or in Italy . . . our businesses are performing well. And it's on that basis that we are giving your guidance that we are reiterating this year's guidance for the rest of the year. The second thing that's exciting is that we have launched 3G. . . . [T]he product is good, the services are good, the content is good, the pricing is good, and frankly, we are feeling very good about the fact that it's out in the marketplace and it's doing well.</p> <p>The third thing that's exciting is that we are making really good progress on our One Vodafone. . . . [W]e are beginning to realize some of the benefits that we've talked to you about in the past.</p> <p>The bottom line is we are growing nicely. Our margins are relatively stable, our businesses are performing well.</p> <p>If you then go to free cash flow . . . [w]e're well on our way to producing the £7b.</p> <p>One Vodafone is an important program. . . . We have told you that by the year 2007/2008 we expect £2.5b in pre-tax cash flows on an annual benefit basis to be realized by the Group being one company. That's a big number. We're going hard for it. As you know, £1.4b of that is coming from capital expenditure, operating expenditure, hand sets, those kinds of cost issues. And £1.1b is coming from revenue and market share.</p> <p>[HYDON]: . . . [O]ur financial results show good operational growth, and a healthy financial position.</p> <p>Before I finish, I'd just like to provide you with a brief update on our transition to International Finance Reporting Standards. This project continues to go well. Further to the IFRS update we provided at our recent investor day, I can confirm that our existing UK GAAP goodwill balances will be the same under IFRS as they are under UK GAAP. . . .</p>	<p>Forward-looking</p> <p>Puffery</p> <p>Puffery</p> <p>Puffery</p> <p>Forward looking</p> <p>Forward looking</p> <p>Puffery</p> <p>Forward looking</p>

¶	Source	Statement	Analysis
		<p>[HORN-SMITH:] ... This has been a good operational performance during the first half.</p> <p>Costs in our German mobile business continued to be managed very diligently. . . . This strong control over cost and drive for efficiency has delivered a continued uplift in EBITDA margin, which now stands at nearly 47%. Germany has turned in a very solid performance during the first half, and is poised for continued growth and improvement in margin year-on-year.</p> <p>Now to Italy. Our Italian business has continued to perform well in all key areas.</p> <p>[SARIN:] . . . You've now heard the story of Vodafone in the last 6 months. I'm here to tell you a little bit about the outlook, where we're going from here and what does next year look like.</p> <p>. . . So on revenue growth we're in the high single digits, on EBITDA margins we're broadly stable. . . and on free cash flow we're around £7b.</p> <p>So fundamentally we're growing in the high single digits. . . .</p> <p>. . . One Vodafone is doing well. We've reorganized the Company so that we can provide more organizational efficiency and direct line of sight to the customer.</p>	Puffery Puffery Puffery Forward looking Forward looking Puffery
¶ 74	Deutsche Bank Report 11/16/04	Vodafone reported a solid set of H1 04/05 results.	Third party statement – analyst characterization
¶ 79	Vodafone Press Release 1/26/05 (complaint states this was)	<p>Vodafone Reaches 150 Million Customers – Strongest Quarter Since December 2000</p> <p>Arun Sarin, Chief Executive of Vodafone, commented:</p> <p>"I am very pleased to announce another impressive quarter for customer and revenue growth. We have seen consistently strong performance across</p>	Puffery

¶	Source	Statement	Analysis
	1/25/05)	<p>Europe....”</p> <p>Germany: Net customer additions of 843,000 demonstrated continued strong growth in Germany and resulted in a closing base of 26.9 million customers, with churn remaining stable compared to the previous quarter. . . . Strong customer growth was the primary driver behind a 6% increase in service revenue for the quarter compared to the same quarter last year.</p> <p>Italy: Proportionate net customer additions were 359,000 in the quarter, leading to a total proportionate customer base of over 17 million. . . .</p> <p>Service revenue for the quarter increased 8% compared to the same period last year. . . .</p> <p>Net acquisition and retention costs as a percentage of service revenue in the quarter were higher than the same period last year, reflecting the increase in competitive activity in the Italian market. However, these costs remain at very low levels when compared to the rest of the Group.</p> <p>Japan: The Group will continue to focus on executing a successful turnaround programme in Japan throughout 2005 and into 2006.</p>	<p>Facts without contradictory allegations/puffery</p> <p>Facts without contradictory allegations</p> <p>Facts without contradictory allegations</p> <p>Forward looking</p>
¶ 80	Morgan Stanley Report 1/26/05	<p>Top Line Momentum Intact</p> <p>Quick Comment: Vodafone's 3Q05 KPI's surprised [sic] positively with stronger than expected subscriber growth across all markets, and better than expected ARPU readings in most markets.</p> <p>We believe these numbers should provide the impetus for Vodafone to outperform over the coming months, as they can alleviate the market's concerns regarding Vodafone's competitive positioning.</p> <p>Strong performance in continental Europe . . . The general trend of strong</p>	<p>Third party statement -- analyst characterization</p> <p>Puffery</p> <p>Third party</p>

¶	Source	Statement	Analysis
		<p>subscriber growth and stable ARPUs translated to positive service revenue trends in all the major markets. Subscriber growth surprised on the upside virtually across the board. . . .</p> <p>x Germany – solid fundamentals. . . .</p> <p>x Italy – Competitive impact not yet felt.</p>	statement – analyst characterization
¶ 81	Deutsche Bank Report 3/10/05	<p>. . . Vodafone's management appeared up beat. . . .</p> <p>x Japan. Management stated that it was 10 months into its 18-24 month turnaround which it believes should be complete by May '06 and is expected to be evidenced both by greater market competitiveness (net additions market share) as well as improved margins.</p>	<p>Third party statement – analyst characterization</p> <p>Forward looking statement</p>
¶ 82	Morgan Stanley Report 3/11/05	<p>We think that over the next 12-18 months, the market will be surprised by Vodafone's ability to sustain revenue growth in the range of 5%-8% without materially depressing OpFCF margins or returns on capital. . . . We found the meeting encouraging overall.</p> <p>Japan will remain the main drag within Vodafone's portfolio of operations in the near term, we believe.</p> <p>Management expects to have addressed this coverage issue completely within the next ten months.</p>	<p>Third party statement -- analyst characterization</p> <p>Third party statement – analyst characterization</p> <p>Forward looking</p>

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¶83	Investec Report 3/11/05	Yesterday we had a reassuring meeting with the new Group FD Andy Halford.	Third party statement – analyst characterization
¶ 85	Vodafone 6-K 5/25/05 (complaint states this was released on 5/24/05)	<p>Arun Sarin, Chief Executive, commented:</p> <p>These strong results highlight both our operational and financial strength. We have met or exceeded all of our stated targets and significantly increased returns to shareholders. Whilst competitive pressures are increasing, there is clear evidence that our global scale and scope is enabling us to deliver innovative customer propositions and to produce superior results.</p> <p>Vodafone Group has posted a strong set of annual results, highlighting both operational and financial strength.</p> <p>In our core European markets, good performances were also recorded by Italy and Germany... despite a very competitive backdrop.</p> <p>We are on track to derive significant benefits from the “One Vodafone” programme and to deliver £2.5 billion additional pre-tax operating free cash flow by the 2008 financial year.</p> <p>GROUP RESULTS</p> <p>GERMANY: Vodafone has built on its strong position in the German mobile market following the successful launch of 3G services. A 9% growth in the average customer base compared to the prior year was the main driver of the 5% increase in service revenue in local currency. Customer growth was strong</p>	<p>Puffery</p> <p>Puffery</p> <p>Puffery</p> <p>Forward looking (cautionary language p. 35-36)</p> <p>Puffery; facts without contradictory allegations</p>

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		ITALY: Vodafone continued to perform robustly in Italy	
¶ 86 Vodafone Conference Call 5/24/05		<p>[SARIN:] . . . [W]e have produced very strong operational and financial performance in the last year. . . . The thing that is most pleasing is that here in Europe we are outperforming our competitors.</p>	Puffery
		<p>The second thing that is exciting about our business is that we are creating a platform for growth in the future. . . . And we have One Vodafone embedded in our business. Both of these things will position us well for the future.</p>	Puffery/forward looking (cautionary language p. 11)
		<p>In Germany, we outperformed T-Mobile by 1.6%. In Italy, we grew faster than TIM, and increased our relative share by 1.5%.</p>	Facts without contradictory allegations
		<p>In our view, the out-performance is because of our global scale and scope finally showing through.</p>	Puffery
		<p>One Vodafone. We are progressing well. . . . Next year we will deliver more benefits and more improvements. And by '07/'08, we will deliver the annual targets that we have set, which was £2.5b pre-tax cash flow improvement because of One Vodafone.</p>	Puffery/forward looking (cautionary language p. 11)
		<p>Moving onto Japan Last year we made progress by launching 3G, strengthening management [and] controlling costs Japan is fundamentally a good business.</p>	Puffery
		<p>[HALFORD:] Let me start with Vodafone Germany, which had a very successful year, consistently taking good market share of customer net addition.</p>	Puffery
		<p>In total, Vodafone Germany increased its share of mobile market revenues by 1.6% against the principle competitor. This strong growth did not come at the</p>	Facts without contradictory

¶	Source	Statement	Analysis
		<p>expense of profitability. Operating expenses and combined customer acquisition and retention costs were both lower as a percentage of revenue. This resulted in an increase in EBITDA margin of 1.4%, and importantly we now have the largest share of the EBITDA in the market again.</p> <p>Now over to the Italian market, which became increasingly competitive during the year with the continued impact of Hutchison. Our core strategy of targeted promotional and seasonal campaigns and focused customer retention initiatives continues to prove successful and has been a good driver of both usage and customer growth.</p> <p>We saw no impact from regulated price cuts during the year, but do anticipate a 16% termination rate reduction this summer.</p> <p>Now I would like to focus on our One Vodafone initiative . . . I confirm that by 2007/8, we are on track to deliver . . . mobile capital intensity under 10%.</p> <p>[SARIN:] I would like to summarize by saying that . . . [y]ou can expect from us continued out-performance versus our competition here in Europe.</p>	allegations Puffery Facts without contradictory allegations/forward looking Forward looking (cautionary language p. 11) Puffery/forward looking (cautionary language p. 11)
¶ 87	Financial Times & FT.com 5/24/05	<p>The company said it now expected revenue growth of 6-9 per cent, down from “high single digits” and said margins would be flat or down 1 percentage point. It said margins would be “broadly stable”. Arun Sarin, chief executive, said the change in guidance “reflects a more competitive backdrop” but he insisted the change was made only to give management more flexibility to compete in key markets: Japan, Germany, Italy</p>	Third party statement

¶	Source	Statement	Analysis
		and the UK.	
¶ 88	Deutsche Bank Report 5/26/05	<ul style="list-style-type: none"> – Italy is going well given the high margins Germany (stable with O2 gaining share from TMOB) – The cost reduction program appears to be progressing well 	Third party statement Puffery
¶¶ 89 – 91	2005 Annual Report 6/29/05	<p>“It is my pleasure to report another year of achievement for your company.... I believe we have made significant progress, particularly with the consumer launch of 3G and the ongoing implementation of our One Vodafone program.... In October, the merger of Vodafone Holdings K.K. and Vodafone K.K. in Japan was completed following our successful tender offer to increase our shareholdings in both companies. This clearly demonstrates our long-term commitment to the strategically important mobile market in Japan. The merger has created a simplified company structure which has already contributed towards greater operational effectiveness and financial efficiencies and, although the business is currently not performing as well as we would wish, I am confident that, in time, our investment will prove to be very rewarding.” ¶ 89</p> <p>This has been another successful year for Vodafone.... Our results are built on the base of a strong overall Group operational performance that has delivered on all our key targets. ¶ 90</p> <p>Our operating performance in Europe remains robust. . . . We face challenges in Japan, where we are half way through a two year plan to turnaround our business. This plan has three main objectives: to improve the attractiveness of 3G handsets and content in that market, to increase the effectiveness of our distribution channels and to improve the coverage of our 3G network. ¶ 90</p>	Puffery/forward looking (cautionary language p. 24-27) Puffery Puffery/forward looking (cautionary language p. 24-27)

¶	Source	Statement	Analysis
		<p>Japan remains a strategically important mobile market for us...However, the pace of change and advanced state of 3G there requires additional focus to improve our competitive position. . . . [W]e have strengthened the management team and remain focused on a successful execution of our recovery plan. ¶ 90</p> <p>As we look forward, we see both greater opportunities and greater challenges. . . . [P]enetration levels in many of our markets are now reaching saturation and competition is intensifying through existing network operators and the introduction of many more low cost operators and resellers. . . . We are also seeing continued regulatory led termination rate reductions. ¶ 90</p> <p>In this environment, we see winners and losers. We believe Vodafone is uniquely positioned to succeed through our scale and scope. . . . ¶ 90</p> <p>For the year ahead, our focus will be on implementing our plans and beginning to deliver improvements. The net benefit to us in the short term will be limited as we will incur costs in centralising certain activities. The first substantial benefits are expected in the year to March 2007, with the programme fully up and running in the year to March 2008. ¶ 90</p> <p>The One Vodafone programme is targeted to deliver £2.5 billion of incremental pre-tax operating free cash flow improvements in the year ending March 2008. ¶ 90</p> <p>Outlook: For the year ahead . . . [f]ree cash flow is anticipated to be in the £6.5 billion to £7 billion range. . . . ¶ 90</p> <p>At 31 March 2005, intangible assets, including goodwill attributable to the acquisition of interests in associated undertakings, amounted to £99,718 million. . . .</p>	<p>Puffery</p> <p>Forward looking (cautionary language p. 24-27)</p> <p>Puffery</p> <p>Forward looking (cautionary language p. 24-27)</p> <p>Forward looking (cautionary language p. 24-27)</p> <p>Forward looking (cautionary language p. 24-27)</p> <p>Facts without contradictory allegations</p>

¶	Source	Statement	Analysis
¶ 95	Transcript from Vodafone Analyst & Investor Conference in Dusseldorf 7/14/05	<p>Sarin: Vodafone Germany is an outstanding company measured on any basis, whether it's around customers, whether it's around shareholder returns, whether it's around management practices, whether it's around employee satisfaction, we have a first-rate company. . . .</p> <p>Von Kuczkowski: This chart shows you that we are the profitability leader here in Germany, demonstrating how we can combine close wireless controlling costs. As a company, we still see good local scale efficiency opportunities combined with a huge potential of thriving benefits from being in the heart of Europe and One Vodafone. . . . Despite rising revenues, we are keeping our operating costs well under control.</p> <p>And despite a competitive marketplace, customer costs actually decreased as a percentage of service revenues. . . . So in summary, we continue to grow EBITDA. . . . The result of all this was the full year EBITDA margin of 46.4% which is an increase by 1.4% year on year.</p>	Puffery Forward looking/puffery (cautionary language p. 23) Facts without contradictory allegations
¶ 96	Citigroup Report 7/15/05	German day shows the strength of this division, contributing 23% of free cash flow: good execution looks likely to continue	Third party statement -- analyst characterization; facts without contradictory allegations
¶ 98	JP Morgan Report 7/15/05	Confident messages from Germany * * * <p>Management appears very comfortable that the combination of revenue market share gains and margin resilience it has delivered in Germany over the past year can be sustained.</p> <p>We came away reassured that our forecasts are readily achievable. . . .</p> <p>1. Management seems untroubled about competitive trends in Germany. * * *</p>	Third party statement – analyst characterization Puffery

¶	Source	Statement	Analysis
		Management appears very comfortable that the combination of revenue market share gains and margin resilience it has delivered in Germany over the past year can be sustained.	
¶100	Vodafone Press Release 7/25/05	<p>We have seen strong performances across Europe... and we continue to focus on improving our business in Japan.</p> <p>We are therefore reiterating our guidance for the full year to March 2006 Vodafone Germany delivered a quarter of strong customer growth....</p> <p>Italy: Proportionate net customer additions were 204,000 in the quarter. The total proportionate customer base was 17.5 million at the end of June. 6.4% higher year on year on an organic basis. Blended annual ARPU increased to 360 for the year to June compared to 359 for the year to March. Annual churn increased slightly when compared to March.</p> <p>Service revenue for the quarter increased 6.5% compared to the same period last year, with continued customer growth being the primary driver. . . .</p> <p>Net acquisition and retention costs as a percentage of service revenue in the quarter were higher than the same period last year and the quarter to March, reflecting the increase in competitive activity in the Italian market and a particular focus on attracting and retaining high value customers. However, these costs still remain at very low levels when compared to the rest of the Group.</p>	Puffery Forward looking Puffery Facts without contradictory allegations Facts without contradictory allegations
¶101	Vodafone conference call 7/25/05	[SARIN:] . . . As you have seen from our announcement earlier this morning, we've started the year well, and the business is running fully in line with our expectations. We set out in May, our guidance for this financial year, and we are reiterating that guidance to you today. As a reminder, we said that we would expect proportionate organic mobile revenue growth of 6% to 9%, proportionate mobile EBITDA margins of flat to minus 1% . . . and free cash flow in the range	Puffery/ Forward Looking

¶	Source	Statement	Analysis
		<p>of 6.5 to 7 billion pounds.</p> <p>Turning now to some of our major operations within Europe, we saw good, stable progress in all our major businesses when compared to the previous quarter and the comparable period a year ago. In Germany we saw continued good customer growth in both contract and prepay, which was the principal driver behind the 4.1% increase in service revenues year on year.</p> <p>In Italy, we continue to see good customer growth with over 200,000 net adds for the quarter. . . . While we see a very competitive environment in Italy, we are also seeing good success in maintaining and growing our business through effective CRM and targeted promotions as well as delivery of a superior product suite.</p> <p>To summarize for you the recent quarter has been excellent.</p>	<p>Puffery; facts without contradictory allegations</p> <p>Facts without contradictory allegations; puffery</p> <p>Puffery</p>
¶103	Vodafone Conference Call 9/19/05	<p>we're making very good progress</p> <p>we'll start seeing the benefits next year and the years afterward.</p> <p>Regulatory intervention also continues in that we continuously see termination rate cuts in most of our markets. This is not a surprise because we've got these baked into our business plans, but equally the termination rate cuts continue. In Japan I'd say that competitive intensity still stays pretty strong and the turnaround is on track</p> <p>During the last year, as well as in more recent months, the market in Italy has recorded accelerated growth, with more gross and net additions than in previous periods.</p> <p>In the business space, we have won our battle for growth and value, matching for the first time the marketshare of our principal competitor.</p>	<p>Puffery</p> <p>Forward-looking</p> <p>Facts without contradictory allegations</p> <p>Facts without contradictory allegations</p> <p>Puffery/Facts without contradictory</p>

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		<p>As a result, of our strong, very strong . . . competitive position, in the last fiscal year, as you know, we have grown our customers by 6% with stable ARPU and stable inactivity rates. A real success, I believe, in a market with 114% penetration and despite the aggressive strategies of Hutchinson. Our revenue growth of 7% allowed us to gain the largest share, as you can see on the pie chart, of the total market revenue growth; i.e., 37% of the total, solidly ahead of any other competitors.</p> <p>Vodafone in Italy keeps enjoying undisputed customer satisfaction leadership. Secondly, we have outperformed Telecom Italia Mobile through differentiation; and the marketshare gap between us and our principal competitor keeps shrinking year in, year out. We have promptly and I believe successfully fenced off Hutchinson's attack. Finally, we believe that we have continued to build solid foundations to compete and succeed in the Italian market also in the future.</p> <p>Bill Morrow -Vodafone Japan - President</p> <p>I'm pleased to say that we are on track and we have already observed some encouraging results.</p> <p>We have reorganized around our targeted customer segments. We have brought in a stronger local senior management team, hiring executives from Sony, Japan Telecom, DoCoMo, and Fandango. . . .</p> <p>So I hope you can see we're confident in our turnaround plan, but it is not yet complete. The first half of this year will be better than what we had expected. But I would like to reiterate what we said before, in that we should be in a stable,</p>	<p>allegations</p> <p>Puffery</p> <p>Facts without contradictory allegations; puffery</p> <p>Puffery; facts without contradictory allegations; forward looking statement</p> <p>Puffery</p> <p>Facts without contradictory allegations</p> <p>Forward looking (cautionary language p. 49-50)</p>

¶	Source	Statement	Analysis
		<p>monthly customer net growth position sometime during the second half of this financial year.</p> <p>I want to highlight that the German market is attractive and it is growing.</p> <p>We said that we would track that by our combined OpEx and CapEx in '07/'08, being broadly(ph) stable with (technical difficulty) '03/'04; i.e. we would keep them fairly constant over a four-year period, notwithstanding the increase in the size of the business over that time frame. Secondly, we said that we will outperform the revenue marketshare of our principal competitors by at least 1% over that period.</p> <p>We are absolutely on track for delivering our flat OpEx and CapEx in '07/'08 compared with '03/'04. and we're absolutely on track for delivering 1% market revenue share outperformance against our principal established competitors.</p> <p>[SARIN:] . . . One Vodafone is going well</p>	<p>Puffery</p> <p>Facts without contradictory allegations/forward looking</p> <p>Forward looking (cautionary language p. 49-50)</p> <p>Puffery</p>
¶107	Financial Times FT.com 11/16/05 (amended complaint states 11/15/05)	“Vodafone Group continued to prosper in a competitive and challenging environment,” said Mr. Sarin. “I am very satisfied with progress and believe that the group is uniquely placed to take advantage of the many opportunities to deliver shareholder value in the future.” (¶ 107)	Puffery
¶108	New York Times 11/16/05	Vodafone’s chief executive, Arun Sarin, however, said during a conference call that the company’s turnaround plan in Japan was on track and that profits margins would increase in Japan in the fiscal year ending March 2008. . .	Forward looking
¶117	Vodafone Press Release	Robust financial performance	Puffery

¶	Source	Statement	Analysis
	11/15/05	<p>"I am pleased to announce another strong set of results.... We continue to outperform our competitors in most of our markets.</p> <p>Vodafone Group has posted another good set of results for the first half of this financial year, underpinned by a strong operational performance. . . In Japan, execution of our turn-around is on track and I am pleased with the progress we are making.</p>	Puffery Puffery
¶118	Vodafone Earnings Conference Call Transcript 11/15/05	<p>[SARIN:] If you look at it on an operating basis, out of Japan, the Company is performing really well . . .</p> <p>[W]e are reiterating guidance. We are reiterating guidance for this financial year in terms of revenues and margins and free cash flow, and also we are indicating for the next financial year that we will have similar underlying trends.</p> <p>Now, a word or two about Japan. Back in May, we stood before you and we said this is what we see in Japan in '05/'06, our turnaround will require us to have sustained monthly adds in the positive category in the second half. And, as you know from the results published in the last few months, that we are actually in positive territory now, even though the numbers are modest.</p> <p>We are on track to hit the various milestones. Our handsets have improved. Our pricing has improved. Our content has improved. Our network quality has improved. We are coming onto the front foot in Japan, and the margin decline is simply the investment that we're making in our customers.</p> <p>And frankly, this investment will continue through the rest of the year into next year, when we see number portability.</p> <p>There are other trends that are positive. . . The whole Company in Japan</p>	Puffery Forward looking (cautionary language references p. 16) Puffery Puffery Forward-looking Puffery

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		<p>is more invigorated and if you looked on the things that we said we would do in '05/'06, they're beginning to happen.</p> <p>So, in terms of outlook, I'd say we are going to see slightly lower organic proportionate mobile revenue growth, principally because of termination rates, as compared to this year.</p> <p>As you know, our margins in Italy and Germany are quite robust.</p> <p>These margins may come under attack as our competitors compete aggressively in those two markets and so we may come off a little bit outside Japan.</p> <p>Starting in Europe, Germany continues to deliver strong customer growth, principally from pre-pay customers. Taken together with the reduction in termination rates in December last year, service revenue grew by 3% in the first half. In an increasingly competitive market, the margin improved as further efficiencies in overheADR [sic] offset additional customer investment, particularly in retention.</p> <p>In Italy, strong data revenue growth and focused customer propositions resulted in sustained levels of service revenue growth of 6% in the first half. The one-month termination rate cuts in September impacted growth in the second quarter by 2%, reinforcing the underlying strong performance.</p>	<p>Forward looking (cautionary language references p. 16)</p> <p>Puffery</p> <p>Forward-looking</p> <p>Puffery/facts without contradictory allegations</p> <p>Facts without contradictory allegations</p>
¶ 119	Ft.com Report 11/17/05	Mr. Sarin . . . sought to reassure the market over his Japanese strategy. "The Japanese company is going to be just fine in the next 18 to 24 months," he said, repeating his assertion that the recovery programme was ahead of schedule. He told his audience that, fundamentally, nothing had changed at Vodafone overall to cast it in a negative light. "I just want to reassure all our investors our company is just as strong today as it was a week ago."	Puffery; forward looking

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¶120	Sunday Times (London) 11/20/05	Sarin said he was “completely confident” that Vodafone K.K. [Japan] would be a success. “The whole noise about selling Japan has turned down,” he said. “Everybody understands today that if we sell Japan we are selling at a low point. We are not traders, we are operators.”	Forward looking Puffery
¶121	Vodafone Press Release 1/24/06	<p>Vodafone Reports Third Quarter KPIs and Reiterates Guidance</p> <p>Good overall operating performance in challenging markets</p> <p>Vodafone reiterates its current year guidance. The Group expects organic growth for this financial year in proportionate mobile revenue in the middle of the 6% to 9% range. Vodafone also expects the organic proportionate mobile EBITDA margin for this financial year to be at the lower end of the flat to 1 percentage point lower range.</p> <p>Vodafone’s preliminary outlook for the next financial year remains unchanged.</p> <p>Arun Sarin, Chief Executive of Vodafone, commented:</p> <p>Vodafone has delivered a good operational performance in a challenging environment.... We expect to deliver full year results in line with our existing guidance and our preliminary outlook for next year remains unchanged.</p>	Puffery Forward looking Forward looking Puffery/forward looking
¶122	Vodafone Conference Call 1/24/06	<p>[SARIN:] Now, I’d like to say a word about Japan. We are pleased to achieve somewhat higher net gains in each of November and December, and while January net gains will not be quite as strong, we are still confident that we will achieve our stated aim of delivering sustained, positive net additions in the second half of this fiscal year.</p> <p>[SARIN:] . . . In terms of margin guidance, I think the competitive activity that we are seeing in Germany and Italy in particular is one the heavier side of what we are forecasting, but equally, the Company has many other assets and in the</p>	Puffery/forward looking (cautionary language p.13) Forward-looking (cautionary language p.13)

¶	Source	Statement	Analysis
		<p>whole, in the main, we have said previously that we would come in at the lower end of our 0 to 1% - minus 1% margin range, and we are reiterating that. ...In terms of longer-term Germany/Italy margins, which are 47, 52% respectively, I do expect these margins to be above the average, for example the group average, but equally, we will see margins coming off a little bit? It would say yes; I can see margins coming off a little bit, but not in a dramatic fashion in the near term. ...In Japan, we have indicated that, for the balance of this year, we would expect to see good, solid, positive net gains. In the middle of the year and kind of the following fiscal year, '06/'07, we would expect our net gain position to strengthen a bit more than what we have seen this year.</p>	